

ANSWERS SAVINGS & INVESTMENT QUIZ

1. A certificate of deposit must be held for a set amount of time such as six months or a year.

☐ True

2. Compound interest refers to money earned from buying a tax-exempt investment.

☐ False

3. A share of stock represents ownership in a company.

☐ True

4. A mutual fund is an investment issued by a state or local government agency.

☐ False

5. Compound interest makes money grow faster.

☐ True

6. Compound interest refers to money earned from buying a tax-exempt investment.

☐ False

7. A certificate of deposit must be held for a set amount of time such as six months or a year.

☐ True

8. A share of stock represents ownership in a company.

☐ True

9. Treasury bonds are a safer investment than real estate.

☐ True

10. The lowest interest rate is usually earned on a:

☐ passbook account.

11. The total interest earned on \$100 for two years at 10 percent (compounded annually) would be:

☐ \$21

12. Based on the rule of 72, money earning 6 percent would take about (fill in the blank) years to double.

☐ 12

13. Which of the following increases the value of my money in stocks?

☐ All of the above

14. Owning shares of stock:

☐ All of the above

15. An example of a company's debt is a:

☐ corporate bond.

16. The investment with the most risk would be:

☐ corporate stocks.